

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

**BOSTON GAS COMPANY d/b/a KEYSpan ENERGY  
DELIVERY NEW ENGLAND**

**D.T.E. 03-40**

ATTORNEY GENERAL'S SIXTH SET OF  
DOCUMENT AND INFORMATION REQUESTS

The following are the Attorney General's Sixth Set of Document and Information Requests regarding the prefiled testimony of Patrick J. McClellan.

- AG-6-1 Referring to Exhibit KEDNE/PJM-2, page 2, please provide the accounts / subaccounts and the amounts of test year expense associated with the Energy Efficiency Revenue shown on line 7.
- AG-6-2 Referring to Exhibit KEDNE/PJM-2, page 2, line 3, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the test year amount of unbilled sales.
- AG-6-3 Referring to Exhibit KEDNE/PJM-2, page 3, line 4, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the amount of the Customer Charge Adjustment.
- AG-6-4 Referring to Exhibit KEDNE/PJM-2, page 3, line 5, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the amount of the Billing Day Adjustment.
- AG-6-5 Referring to Exhibit KEDNE/PJM-2, page 3, line 6, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation including all invoices for the test year amount of the Termination of Sithe Contract Adjustment.
- AG-6-6 Referring to Exhibit KEDNE/PJM-2, page 3, line 9, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Annualized Late Payment Charges Adjustment.

- AG-6-7 Referring to Exhibit KEDNE/PJM-2, page 3, line 10, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the amount of the Weather Stabilization Adjustment.
- AG-6-8 Referring to Exhibit KEDNE/PJM-2, page 3, line 11, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the test year amount of the PBR Revenue Adjustment.
- AG-6-9 Referring to Exhibit KEDNE/PJM-2, page 6, line 6, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 percent increase.
- AG-6-10 Referring to Exhibit KEDNE/PJM-2, page 6, line 11, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 percent increase.
- AG-6-11 Referring to Exhibit KEDNE/PJM-2, page 6, line 13, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2004 percent increase.
- AG-6-12 Referring to Exhibit KEDNE/PJM-2, page 7, line 7 please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 percent increase.
- AG-6-13 Referring to Exhibit KEDNE/PJM-2, page 7, line 11, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 percent increase.
- AG-6-14 Referring to Exhibit KEDNE/PJM-2, page 8, lines 1-5, please provide the subaccounts that were used to record each of the proposed adjustments to the test year expense.
- AG-6-15 Please provide the test year amount of “merit” pay for each class of the Company’s employees. Please also indicate the amount of “merit” pay that was expensed and the amount that was capitalized for each employee class.
- AG-6-16 Referring to the Company’s “merit” increases for non-union employees, please provide a complete and detailed description of the purposes for such “merit” increases. Please provide a complete and detailed description of how those “merit” increases are different from the October 2003 increases that the Company expenses to grant to non-union employees.

- AG-6-17 Referring to the Company’s “merit” increases for non-union employees, please provide a copy of the written policy for the awarding of “merit” increases.
- AG-6-18 Please provide the test year amount of “incentive” pay for each class of the Company’s employees. Please also indicate the amount of “incentive” pay that was expensed and the amount that was capitalized for each employee class.
- AG-6-19 Referring to the Company’s “incentive” compensation for non-union employees, please provide a complete and detailed description of the purposes of the “incentive” compensation. Please also provide a complete and detailed description of the similarities and the differences between the “merit” pay and the “incentive” compensation provided for those employees.
- AG-6-20 Referring to the Company’s “incentive” compensation for union and non-union employees, please provide a copy of the written policy for awarding “incentive” compensation.
- AG-6-21 Referring to Exhibit KEDNE/PJM-2, page 8, line 5, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 Incentive Compensation at Target Level.
- AG-6-22 Referring to Exhibit KEDNE/PJM-2, page 8, line 9, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 2002 Incentive Compensation at Target Level.
- AG-6-23 Referring to Exhibit KEDNE/PJM-2, page 8, line 11, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the percent to Boston allocation.
- AG-6-24 Referring to Exhibit KEDNE/PJM-2, page 9, line 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Variable Pay Increase.
- AG-6-25 Referring to Exhibit KEDNE/PJM-2, page 9, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the percent to Boston allocation.
- AG-6-26 Referring to Exhibit KEDNE/PJM-2, page 9, line 4, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the percent to O&M.

- AG-6-27 Referring to Exhibit KEDNE/PJM-2, page 9, line 6, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Boston Gas Employees Direct Variable Pay Increase.
- AG-6-28 Referring to Exhibit KEDNE/PJM-2, page 9, line 7, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the percent to O&M.
- AG-6-29 Referring to the Company's non-union employees base salary and variable pay, please provide a complete and detailed description of the methodology for determining the each component.
- AG-6-30 Regarding the Company's pension accounting, please provide the following for each of the last three years:
- (1) an itemization and quantification of each of the gains and losses associated with the plan;
  - (2) an itemization and quantification of each employee severance, early retirement, and employee incentive plan; and
  - (3) an itemization and quantification of each transition obligation adjustment.
- AG-6-31 Please provide copies of all intracompany memos from the last 12 months regarding the funding levels of the KeySpan's pension funds.
- AG-6-32 Referring to Exhibit KEDNE/PJM-2, page 12, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Direct Amount and the Allocated amount shown on that line.
- AG-6-33 Referring to Exhibit KEDNE/PJM-2, page 12, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Total O&M Expense amount shown on that line as well as the associated Capitalized Pension Cost amount.
- AG-6-34 Referring to Exhibit KEDNE/PJM-2, page 13, lines 1 - 7, please provide the deductible under each of the policies indicated.
- AG-6-35 Referring to Exhibit KEDNE/PJM-2, page 13, lines 9 - 15, please provide the deductible under each of the policies indicated.
- AG-6-36 Referring to Exhibit KEDNE/PJM-2, page 13, please provide a complete and detailed description in all changes in the terms of the policies indicated on that page.

- AG-6-37 Referring to Exhibit KEDNE/PJM-2, page 13, lines 1 - 7, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for each of the Allocations Percents to Boston Gas.
- AG-6-38 Referring to Exhibit KEDNE/PJM-2, page 14, lines 1, please provide a copy of the LNG Tank Lease. Please also provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the LNG Tank Lease Expense Annualized amount.
- AG-6-39 Referring to Exhibit KEDNE/PJM-2, page 14, lines 4, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Waltham Lease Expense Annualized amount.
- AG-6-40 Referring to Exhibit KEDNE/PJM-2, page 15, please provide a complete and detailed description of the land, buildings and equipment associated with the property that was sold and provide a map of those properties. Please also differentiate, if appropriate, between that property that was utility property and that which was non-utility property.
- AG-6-41 Referring to Exhibit KEDNE/PJM-2, page 15, please provide a copy of the purchase and sales agreement associated with the sale of the property.
- AG-6-42 Referring to Exhibit KEDNE/PJM-2, page 15, please provide a copy of the last property tax valuation of the property.
- AG-6-43 Referring to Exhibit KEDNE/PJM-2, page 15, lines 5, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the percent of proceeds to Utility Property of 16.60%.
- AG-6-44 Referring to Exhibit KEDNE/PJM-2, page 16, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the 10.83 percent increase amount.
- AG-6-45 Referring to Exhibit KEDNE/PJM-2, page 17, line 1, please itemize and quantify the Strike Contingency Costs.
- AG-6-46 Referring to Exhibit KEDNE/PJM-2, page 18, lines 3 - 10, please provide the amount of employee related labor costs associated with each of the costs shown on those lines.

- AG-6-47 Referring to Exhibit KEDNE/PJM-1, page 21, lines 4-7, please itemize and quantify all of the costs that were incremental costs associated Colonial Gas Company. Please also provide a copy of the pages of the Company's accounting manual which provides for the definition of the "incremental" costs.
- AG-6-48 Referring to Exhibit KEDNE/PJM-1, page 20, lines 14-18, please itemize and quantify all of the costs that were "incremental" costs associated with Essex Gas Company.
- AG-6-49 Referring to Exhibit KEDNE/PJM-2, page 19, line 1, please provide the subaccount(s) to which the Severance Accrual Reversal was recorded.
- AG-6-50 Referring to Exhibit KEDNE/PJM-2, page 20, please provide itemize and quantify the costs associated with each of the services / studies indicated on that page. For each service / study, please provide all workpapers, calculations, formulas, assumptions, and other supporting documentation for each estimate.
- AG-6-51 Please indicate the number of KeySpan employees who work as attorneys. Please also indicate the number of KeySpan attorneys that work in Massachusetts.
- AG-6-52 Referring to Exhibit KEDNE/PJM-2, page 21, line 1, please provide a complete and detailed description of the types of costs included in the Production and Storage & Gas Procurement Costs. Please also itemize and quantify the employee related costs and the lease related costs included in that amount.
- AG-6-53 Referring to Exhibit KEDNE/PJM-2, page 22, line 3, please provide the Gross Write-Offs and Recoveries by month for each of the months of 2001, 2002, and 2003.
- AG-6-54 Referring to Exhibit KEDNE/PJM-2, page 23, line 1, please provide the name and title of the Company employee that performed lobbying activities for the Company during the test year in this case.
- AG-6-55 Referring to Exhibit KEDNE/PJM-2, page 23, line 3, please provide the name and title of the Service Company employees that performed lobbying activities for the Company during the test year in this case.
- AG-6-56 Referring to Exhibit KEDNE/PJM-2, page 25, line 1, please identify the parties to whom the fines and penalties were paid during the test year.

- AG-6-57 Referring to Exhibit KEDNE/PJM-2, page 26, line 2, please provide a complete and detailed description of the nature of the costs included in the “Servco Charges.” Please also provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the amount that was determined to be not includable in rates.
- AG-6-58 Referring to Exhibit KEDNE/PJM-2, page 26, line 3, please provide a complete and detailed description of the nature of the costs included in the “Brand Strategy” costs. Please also provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the amount that was determined to be not includable in rates.
- AG-6-59 Please provide the Company’s test year lease expense.
- AG-6-60 Please provide the “Blue Chip Economic Indicators” Consensus Forecast for inflation through the Midpoint of the Rate Year.
- AG-6-61 Referring to Exhibit KEDNE/PJM-2, page 29, line 3, please provide a copy of the source document(s) for the rate year Index value.
- AG-6-62 Referring to Exhibit KEDNE/PJM-2, page 30, line 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Annualized Depreciation Expense amount.
- AG-6-63 Referring to Exhibit KEDNE/PJM-2, page 31, lines 1 - 5, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for each of the Annual Expense amounts shown on that page.
- AG-6-64 Referring to Exhibit KEDNE/PJM-2, page 32, line 1, please provide copies of the property tax bills associated with the Annualized Property Taxes shown on that line.
- AG-6-65 Referring to Exhibit KEDNE/PJM-2, page 32, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the property tax for Non-Utility & Held For Future Use shown on that line.
- AG-6-66 Referring to Exhibit KEDNE/PJM-2, page 33A, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for each of the numbers in the Adjustment % Column shown on that page.
- AG-6-67 Referring to Exhibit KEDNE/PJM-2, page 34, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Interest Rate amount shown on that line.

- AG-6-68 Referring to Exhibit KEDNE/PJM-2, page 36, line 3, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the adjustment to test year end Common Equity shown on that line.
- AG-6-69 Please provide a complete and detailed description of the reasons that an amount of \$790,284,582 of goodwill is removed from the Company's test year end balances in its capital structure rather than the test-year end balance of \$812,950,019 as indicated on Exhibit KEDNE/PJM-1, page 38.
- AG-6-70 Referring to Exhibit KEDNE/PJM-2, page 36, line 2, please the test year end balance of Preferred Stock shown on that line with the amount shown on the Company's 2002 Annual Return to the Department, Page 9, Line 4.
- AG-6-71 Referring to Exhibit KEDNE/PJM-2, page 38, line 11, please reconcile the amount of Deferred Taxes shown on that line with the amount shown on the 2002 Annual Return to the Department, page 9, line 42.
- AG-6-72 Referring to Exhibit KEDNE/PJM-2, page 39, line 5, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the adjustment for CRIS Allocation to Essex shown on that line.
- AG-6-73 Referring to Exhibit KEDNE/PJM-2, page 39, line 6, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the adjustment for Non Incremental Software Costs shown on that line.
- AG-6-74 Please provide copies of the 2002 Annual Returns to the Department for Essex Gas Company and Colonial Gas Company. Please also provide the comparable regulatory reports for all of the other Company affiliates in the KeySpan New England division.
- AG-6-75 Referring to Exhibit KEDNE/PJM-1, page 39, please workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the 14.97 percent allocation of other materials and supplies to KeySpan's other New England gas companies.
- AG-6-76 Referring to Exhibit KEDNE/PJM-7, page 2, line 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Firm Revenues Service Lag amount shown on that line.

- AG-6-77 Referring to Exhibit KEDNE/PJM-7, page 2, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine each of the Billing Lag amounts shown on that line.
- AG-6-78 Referring to Exhibit KEDNE/PJM-7, page 2, line 3, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine each of the Collection Lag amounts shown on that line.
- AG-6-79 Referring to Exhibit KEDNE/PJM-7, page 3, line 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Payroll Lead / Lag Days amount shown on that line.
- AG-6-80 Referring to Exhibit KEDNE/PJM-7, page 3, line 2, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Rent Lead / Lag Days amount shown on that line.
- AG-6-81 Referring to Exhibit KEDNE/PJM-7, page 3, line 3, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Dental Health and Life Insurance Lead / Lag Days amount shown on that line.
- AG-6-82 Referring to Exhibit KEDNE/PJM-7, page 3, line 4, please provide copies of the invoices for the 401K plan.
- AG-6-83 Referring to Exhibit KEDNE/PJM-7, page 3, line 6, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Pensions and OPEBS Lead / Lag Days amount shown on that line.
- AG-6-84 Referring to Exhibit KEDNE/PJM-7, page 3, line 7, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Incentive Programs Lead / Lag Days amount shown on that line.
- AG-6-85 Referring to Exhibit KEDNE/PJM-7, page 3, line 11, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the Other O&M Expenses Lead / Lag Days amount shown on that line.
- AG-6-86 Please provide the Job Order and the Closing Report for the CRIS investment. Please also provide the total cost of the investment to KeySpan, along with allocation of and the basis for the allocation of those costs to the individual operating companies.

AG-6-87 Please provide a copy of the Request(s) For Proposal for the CRIS investment.

AG-6-88 Please provide copies of the Company's analyses of the Request(s) For Proposal for the CRIS Investment.

April 25, 2003